

EXHIBIT 12
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RE Montana University System

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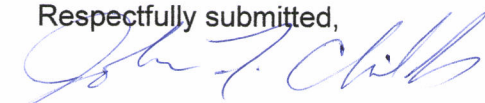
Mr. Chairman, and Members of the Committee, for the record my name is John Childs. I am President of Childs Geoscience, Inc. of Bozeman, Montana. Our firm is engaged in mineral exploration and mining property evaluation in Montana. We have a staff of twelve geologists all of whom graduated with undergraduate or graduate degrees from Montana universities. We are proud and have been able to provide good jobs in Montana for these young geologists.

Our work depends on critical basic information provided by the Montana Bureau of Mines and Geology (MBMG). Our firm and many others in the state require information on mineral resources, water resources, seismic risks, and environmental issues that only the MBMG provides. Much of this information is regional or specialized in nature and is not possible for us to generate. Typically when we initiate a project some of the first things that we reach for are geologic maps, historical reports, county reports, topographic maps and other products provided by the MBMG. Environmentally responsible and efficient development of the major coal and other resources in the state depends on information provided by the MBMG.

With increasing development in the state, the basic water, mineral, landslide and seismic information provided by the MBMG becomes even more critical. A colleague and seismic hazard expert from Israel who visited several years ago reviewed the seismic program established and maintained almost single handedly by Mike Stickney for the MBMG. This visiting scientist was astounded that a single seismologist could have accomplished what had been achieved with such minimal staff and budgets. The new state geologic map is another major achievement that involved great dedication above and beyond what might have been expected of those involved. I could cite many other examples of MBMG employees both past and present who have displayed tremendous pride in their efforts to make Montana a safer and more prosperous place.

In addition to being outstanding scientists, the staff of the MBMG is well known for their dedication to educating citizens and always taking time to try to answer questions posed by anyone from children to planners who seek their advice. As a geologist and an employer, I am constantly inspired by the dedication of the bureau staff. I am confident that every dollar budgeted for the bureau will be well spent in support of the people of Montana and will attract additional investment in the economy of the state.

Respectfully submitted,



John F. Childs
President, Childs Geoscience Inc.
PhD, Registered Geologist